

COASTAL CONSERVANCY

Staff Recommendation
September 15, 2004

HUNTERS POINT SHORELINE PARK MASTER PLAN

File No. 04-054
Project Manager: Joan Cardellino

RECOMMENDED ACTION: Authorization to disburse up to \$300,000 to Arc Ecology, a nonprofit corporation, to prepare a master plan for a shoreline park at the former Hunters Point Naval Shipyard.

LOCATION: San Francisco

PROGRAM CATEGORY: San Francisco Bay Area Conservancy Program

EXHIBITS

Exhibit 1: Project Location and Site Map

Exhibit 2: Hunters Point Naval Shipyard Parcel Map

Exhibit 3: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31000 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes a grant of three hundred thousand dollars (\$300,000) to Arc Ecology (Arc) for the purpose of preparing a master plan for a shoreline park located on Parcel E of Hunters Point Naval Shipyard as shown in Exhibit 1, subject to the following conditions:

1. Prior to the disbursement of any funds, ARC shall submit for the review and approval of the Executive Officer of the Conservancy a detailed work program, project budget, schedule and the names and qualifications of any contractors to be employed on the project.

2. The San Francisco Redevelopment Agency and Arc Ecology have entered into a Cooperative Agreement that specifies Arc's role in managing the master plan process and indicates the Agency's responsibilities in reviewing and approving the plan."

Staff further recommends that the Conservancy adopt the following findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the purposes and criteria set forth in Public Resources Code Sections 31160-31164 regarding the San Francisco Bay Area Conservancy Program.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. Arc Ecology is a nonprofit organization, existing under the provisions of Section 501(c)(3) of the Internal Revenue Code, whose purposes, which include the preservation, restoration or enhancement of land for habitat protection, public access and recreation, are consistent with Division 21 of the California Public Resources Code."

PROJECT SUMMARY:

Staff recommends a grant of \$300,000 to Arc Ecology to prepare a master plan for a park along the shoreline on property known as Parcel E at Hunters Point Naval Shipyard. The City and County of San Francisco, acting through the San Francisco Redevelopment Agency, has successfully concluded negotiations with the Navy on the transfer of one of the dry-land parcels (Parcel A) of the former shipyard. (See Exhibit 2.) The redevelopment plan for the entire shipyard includes housing, mixed-use retail, light industrial and open space. Negotiations are currently in progress with the Navy on the remediation plan for Parcels E and F, (Parcel F consists of the submerged lands surrounding the shipyard) and the transfer from the Navy to the City of Parcel (A) is expected in late 2004. Parcel A will be developed into residential housing. Initiating the master planning process now for a shoreline park on Parcel E will help in the negotiations regarding the clean up and transfer of the property.

Transfer negotiations between the Navy and the City of San Francisco for Parcels E and F deal fundamentally with the issue of toxic material remediation. Both the Navy and the City must agree on the standards to be used for clean up, the type of remediation strategy that is safe and appropriate for future proposed uses, and the cost. The range of possible remediation strategies include: excavate the hazardous materials and remove off-site to an appropriate location; leave hazardous materials on-site with an impermeable cap to seal the contaminants in place; or leave inert contaminants in place and cover with clean soil. Each of these approaches has implications for the type of landscaping, construction of recreational and park support facilities, and wetland restoration that can be done. By developing a master plan for the park now, while negotiations between the City and the Navy are underway, will help identify the specific types of remediation that will be appropriate for the park, and the cost of the clean up. Given the Superfund status of Parcels E and F, hazardous material remediation will be extensive, and costly. The Navy has

agreed to commit \$120 million for the clean up of all the Hunters Point Naval Shipyard properties.

The proposed grant will be used to develop conceptual plans for the park, in collaboration with interested residents from the local neighborhoods. The park plan will further the process of providing public access to the shoreline, creating a destination point on the Bay Trail as well as a connecting link in it, and offering shoreline recreational opportunities. Elements of the master plan will include:

1. **Habitat restoration.** Habitat restoration at Yosemite Slough and the potential creation of storm water treatment wetlands on the park site, both provide opportunities for restoring native habitat. Planning for the storm water treatment wetlands has already been initiated through the CALFED grant to Arc Ecology.
2. **The Bay Trail** connection through the site. Candlestick Point Recreation Area is immediately adjacent to Hunters Point on the opposite side of Yosemite Slough. A trail and possible bridge connection to link the two recreation areas will be analyzed in the plan.
3. **A range of recreational facilities.** For an 80-acre park, there is great opportunity to accommodate a variety of recreational facilities. Soccer fields, basketball courts, tennis courts, and water-related recreational facilities are all within the range of possible park amenities. Community involvement will be a critical element in selecting and defining the types of recreation that can be included in the park.
4. **Landscaping.** The type and design of landscaping options is integrally related to the remediation strategy used on the site. For example, capping of all or part of the property would mean that no trees or other landscaping that would permeate the cap could be allowed. However, bringing clean soil onto the site would make it possible to create topography such as berms and hills.
5. **Interpretive signage.** Hunters Point Naval Shipyard is rich with history and the park site will be an excellent place for public interpretive art and signage.

On March 31, 2004, H.T. Johnson, Assistant Secretary of the Navy, signed the legally binding Conveyance Agreement, setting forth the terms and conditions for the cleanup and transfer of Hunters Point Shipyard to the San Francisco Redevelopment Agency. This historic milestone caps years of negotiations between the U.S. Navy and the City, aided by local community leaders. The Agreement was approved by the San Francisco Redevelopment Commission in late April 2004, and is now in effect.

With the signing of the Conveyance Agreement, guidelines are in place for the first and subsequent transfers of the five Shipyard parcels. Under the terms of the Agreement and the laws governing base closures, the Navy is obligated to meet the future use requirements and provide the necessary funding to implement the cleanup. The agreement calls for the Navy to spend \$120 million to clean up the parcels prior to transfer. Furthermore, the City will only accept conveyance following certification by the U.S. Environmental Protection Agency, the California Department of Toxic Substances Control, the California Regional Water Quality Control Board, and an independent City consultant that the land is clean and safe for development. Parcel A, which is currently undergoing regulator review, is expected to be transferred in 2004. Once the

City accepts conveyance of Parcel A, it will convey the parcel to Lennar/BVHP to commence Phase I infrastructure development.

Parcel A includes hillside immediately adjacent to Parcel E, and will be developed for residential and open space uses. Detailed planning for the open space areas began in July 2004, and it is very important to coordinate the planning of the upland areas of Parcel A with the shoreline planning of Parcel E so that habitat needs and recreational needs are integrated throughout the entire area.

In order to expedite the discussion over the disposition of the Parcel E industrial landfill, the Navy has separated the 48-acre site out and placed it on a fast track for review. The Navy will be releasing its CERCLA-required Remedial Investigation/ Feasibility Study (RI/FS) on the landfill's cleanup sometime in September or October of this year. The RI/FS will be followed in a year by what is called a "Proposed Plan" for addressing the site. The Proposed Plan will contain the Navy's decision regarding how they plan to proceed with the landfill. It is a critically important step in the toxic remediation process because it is the only point in the process where the Navy is required by law to open its administrative record to public comment and requires that those comments be incorporated into their Record of Decision. Developing a master plan for the property now will ensure that the ideas and concepts contained in it will be fully considered by the Navy.

Arc Ecology has been active in the Bayview and Hunters Point neighborhoods since 1983, working on economic, environmental and health issues related to the closure and reuse of Hunters Point Naval Shipyard. Arc has managed projects for the San Francisco Redevelopment Agency and other City departments since 1995. An example of recent projects includes managing the community "Window on the Shipyard" cleanup information clearinghouse on the toxic remediation activities at the former military base, and a \$770,000 environmental justice grant from CALFED for the Yosemite watershed. Arc has both technical expertise in the subject of hazardous materials remediation and the complicated process of military base reuse, and it is dedicated to improving the shipyard for the benefit of the local residents. The San Francisco Redevelopment Agency approved a Cooperative Agreement with Arc Ecology in August, 2004 which identifies Arc's responsibilities relative to the clean up and development of conceptual plans for Parcel E.

Site Description: Parcel E covers 80 acres of shoreline property, 48 acres of which is an industrial landfill and an additional 18 acres is a radiological landfill. The remaining 14 acres is relatively undisturbed upland. The Shipyard was in active operation from 1941 to 1974, and then was leased to a commercial ship repair company until 1986, at which time the Navy resumed occupancy. In 1991 the facility was closed. Until 1969 the Naval Radiological Defense Laboratory operated on the site, decontaminating ships from the Bikini Atoll nuclear weapons tests. In 1989 the Environmental Protection Agency assigned Superfund status to the entire Hunters Point Shipyard, based on the presence of asbestos, polychlorinated biphenyls (PCBs) and contaminants from sandblast decontamination activities, such as lead and copper. It is very likely that in order to develop Parcel E as a park, most, if not all, of the hazardous materials buried there will have to be excavated and disposed in a classified landfill.

Immediately adjacent to Parcel E is Yosemite Slough, a small remnant of what used to be Yosemite Creek. Prior to industrial development initiated in the early 20th century, wetlands surrounded the slough and provided rich habitat for shorebirds and fish. However, in spite of the

tremendous disruptions visited upon this area by industrial and military development, recent surveys conducted by Arc Ecology's CALFED-funded Yosemite Slough Collaborative revealed that over 170 species of birds, lizards, amphibians, reptiles and other fauna still make their home in and around the slough.

Project History: Arc Ecology approached Conservancy staff in 2003 to do a combination wetland restoration and shoreline park plan for the Yosemite Slough area. Conservancy staff and Arc staff have worked closely since the spring of 2004 to refine the scope of work and define the project to focus on the master plan for a shoreline park.

PROJECT FINANCING:

Coastal Conservancy	\$300,000
CALFED Grant, selected tasks	<u>350,000</u>
Total Project Cost	\$650,000

The anticipated source of Conservancy funds is the fiscal year 2002 appropriation from the "California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002" (Proposition 40). Under Public Resources Code Section 5096.650(b), Proposition 40 funds may be used for the development of land resources in accordance with the provisions of the Conservancy's enabling legislation, Division 21 of the Public Resources Code. The proposed project serves to assist in the development of land-based public access and, as discussed in the section found immediately below, the project is consistent with Chapter 4.5 of Division 21. Proposition 40 also requires the Conservancy to give priority to grant projects with matching funds (Public Resources Code Section 5096.651). The proposed project is supported by matching funds in the form of a \$770,000 grant from CALFED to Arc Ecology for the Yosemite Slough watershed, of which approximately \$350,000 will directly benefit the preparation of a master plan for Parcel E.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

Providing funds to Arc Ecology to prepare a shoreline park master plan is consistent with Chapter 4.5 of the Conservancy's enabling legislation, Public Resources Code Sections 31160 *et seq.*, which authorizes the Conservancy to undertake projects within the nine county San Francisco Bay Area to address resource and recreational goals. Pursuant to Section 31162 the Conservancy may undertake projects and award grants that help to achieve specified goals of the San Francisco Bay Area Conservancy Program. Consistent with Section 31162(a), the proposed project will serve to enhance public access to and around the bay by planning for a portion of the regional San Francisco Bay Trail, which will be located in the shoreline park. Further, the project will serve to carry out the goal of providing open space to an urban population for recreational and educational purposes, as permitted by Section 31162(d), through development of the shoreline park for recreational activities.

Finally, the project satisfies all of the five criteria for determining project priority under Section 31163(c), as follows: 1) The project is supported by the Redevelopment Plan for Hunters Point Naval Shipyard which indicates open space on much of Parcel E. 2) The project serves a multi-jurisdictional constituency, since it will create a link in the San Francisco Bay Trail, and preserve

open space and scenic areas for the enjoyment of both local residents and regional visitors. 3) The project can be implemented in a timely fashion: once funded, the master plan design process should begin within one month. 4) In the event the project is not implemented promptly, the opportunity to negotiate for site remediation to the appropriate standard for a public park may be lost. 5) As noted above, significant matching funds have been provided via CALFED for work that is integral to the development of a master plan for the shoreline parcel.

**CONSISTENCY WITH CONSERVANCY'S
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 11, Objective A**, this project will assist in the development of land for the purposes of public recreation and shoreline access.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** Mayor Newsom, the San Francisco Department of the Environment, Supervisor Sophie Maxwell, the San Francisco Redevelopment Agency, and several neighborhood organizations, support this project. See letters of support in Exhibit 3.
4. **Location:** See "Site Description" section above. The project is located in the nine county Bay Area and within the jurisdiction of the San Francisco Bay Area Conservancy Program.
5. **Need:** Creating a master plan for a shoreline park on Parcel E will only be accomplished with Conservancy assistance. While several City agencies are supportive of the project, none have staff or funding available to contribute to the effort.
6. **Greater-than-local interest:** At approximately 80 acres, a shoreline park on San Francisco's southern waterfront, immediately adjacent to Candlestick Point State Park, will be a regional attraction. It will also become a destination point on the regional San Francisco Bay Trail.

Additional Criteria

8. **Resolution of more than one issue:** The master plan will include wetland restoration in addition to public access to the shoreline.
9. **Leverage:** See the "Project Financing" section above.
12. **Readiness:** Arc Ecology is ready to begin the planning process in the autumn of 2004.

CONSISTENCY WITH SAN FRANCISCO BAY PLAN:

Planning a waterfront park on the shore of San Francisco Bay is consistent with many of the recreational policies of the Bay Plan. Policy Number 1 encourages the development of the largest possible portion of the total regional requirement for parks adjacent to the Bay. Policy Number 5(c) specifically addresses the reuse of military bases as parks, and includes several recommendations for preserving and enhancing wildlife, retaining and improving historic structures, and providing water-related recreational facilities. All of these recommendations will be analyzed and included to the extent feasible into the master plan.

COMPLIANCE WITH CEQA:

This project is statutorily exempt from the California Environmental Quality Act, pursuant to Section 15262 of Title 14 of the California Code of Regulations, pertaining to feasibility and planning studies for possible future actions that have not been approved, adopted, or funded.

Upon Conservancy approval of the proposed project, staff will file a Notice of Exemption.